



Independent Auditor's Report and Individual Financial Statements
for the year ended December 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Management of ARTPOLIS

Opinion

We have audited the accompanying financial statements of ARTPOLIS, which comprise the statement of financial position as at December 31, 2022 and the statement of profit or loss, statement of changes in fund balances and statement of cash flow for the year then ended, and other explanatory notes.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ARTPOLIS as of December 31, 2022, results of its operation and the cash flow for the year then ended in conformity with actual laws and with individual agreements between KCSF and grantees.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (with the application of ISA 700). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Project financial report section of our report. We are independent of the Business in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and those charged with Governance for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with modified cash basis principle, applicable laws and the internal controls that the management deems necessary to enable the preparation of financial statements without material misstatement due to fraud or error.

For the financial statements' preparation, management is responsible for assessing the organization's ability to sustainability in the future, disclosing, as necessary, future sustainability issues and using the accounting continuity principle unless management intends to liquidate the Organization or Interrupt the operation, or there is no other possible alternative than to do it.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in

total, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Armend Osaj – Statutory Auditor
ACA – Audit & Consulting Associates
Prishtine, Kosove
February 22, 2023



ARTPOLIS**Statement of Financial Position****For the year ended December 31, 2022**


	Notes	December 31, 2022 (in EUR)	December 31, 2021 (in EUR)
ASSETS			
Non-current assets			
Property and equipment	4	7,868	12,728
Total non-current assets		7,868	12,728
Current assets			
Accounts Receivable	5	21,293	5,536
Cash and bank balances	6	87,184	95,516
Total current assets		108,477	101,052
TOTAL ASSETS		116,345	113,780
LIABILITIES AND RESERVES			
Current liabilities			
Accounts payable	7	8,533	3,122
Deferred Revenue	8	107,812	110,658
Total current liabilities		116,345	113,780
Reserves			
Opening Balance Equity		-	-
Retained surplus		-	-
Amount carried forward		-	-
Total reserves		-	-
TOTAL LIABILITIES AND RESERVES		116,345	113,780

The financial statements have been signed on February 23, 2023 by:

Zana Hoxha


Executive Director

Donarta Limanaj


Financial Manager

The accompanying notes from 1 to 14 form an integral part of these financial statements

ARTPOLIS**Statement of Profit or Loss****For the year ended December 31, 2022**

		End Year 31 December 2022 (in EUR)	End Year 31 December 2021 (in EUR)
	Note		
Incomes			
Incomes	9	560,510	336,889
Total income		560,510	336,889
Expenses			
Payroll expenses	10	273,863	211,298
Operations expenses	11	281,787	121,009
Depreciation Expense	4	4,861	4,583
Total expenses		560,510	336,889
Amount carried forward		-	-

The accompanying notes from 1 to 14 form an integral part of these financial statements

ARTPOLIS**Statement of Changes in Net Assets****For the year ended December 31, 2022**

	Retained surplus (In EUR)	Net deficit/ surplus (In EUR)	Total Equity (In EUR)
Balance as at January 01, 2021			
Balance carried forward	-	-	-
Net deficit/surplus for the year	-	-	-
Balance as at December 31, 2021	<u>-</u>	<u>-</u>	<u>-</u>
Balance as at January 01, 2022			
Balance carried forward	-	-	-
Net deficit/surplus for the year	-	-	-
Balance as at December 31, 2022	<u>-</u>	<u>-</u>	<u>-</u>

The accompanying notes from 1 to 14 form an integral part of these financial statements

ARTPOLIS**Statement of Cash Flows****For the year ended December 31, 2022**

	December 31, 2022	December 31, 2021
	(in EUR)	(in EUR)
Cash flows from operating activities		
(Deficit)/surplus for the year	-	-
Adjustment for:		
Depreciation	4,861	4,583
	-	-
Change in receivables	(15,757)	814
Change in advances	-	-
Change in payables	5,410	3,122
Change in deferred revenue	(2,846)	54,817
Net cash from operating activities	(8,332)	63,336
Cash flows from investing activities		
Acquisition of property and equipment		(2,781)
Net cash used in investing activities	-	(2,781)
Net increase in cash and cash equivalents	(8,332)	60,555
Cash and cash equivalents at 1 January	95,516	34,961
Cash and cash equivalents at 31 December	87,184	95,516

The accompanying notes from 1 to 14 form an integral part of these financial statements

ARTPOLIS

Notes to the Financial Statements

For the year ended December 31, 2022

1. INTRODUCTION

ARTPOLIS is a registered Non-Governmental Organization established in Prishtina, Kosovo in 2004.

Through its mission it supports and protects women's rights as part of universal human rights, by conducting activities such as trainings and capacity building for women and youth from different ethnicity and addressing social issues through Theatre Based Education, activism, project managing and leadership skills.

ARTPOLIS promotes diversity through culture, arts and multi-ethnic coexistence by using theater as a tool for community empowerment.

ARTPOLIS is a community-based organization that offers all activities to community members free of charge.

ARTPOLIS

Notes to the Financial Statements

For the year ended December 31, 2022

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

Financial Statements are prepared for reporting purposes in accordance with applicable International Standards on Auditing (with the application of ISA 700), and represent the entire picture that occurred in Artpolis during 2022. Financial Statements are prepared on modified cash basis principle. The organization uses QuickBooks for preparation of financial statements.

2.2 Currency of presentation

The reporting currency of Artpolis is the European Union currency unit Euro ("EUR"). The organization has ten bank accounts in Pro Credit Bank.

2.3 Foreign currency exchange

The organization does not perform transactions in foreign currencies.

2.4 Property, plant and equipment

Artpolis presents all purchased made in 2022 as equipment expenses in the statement of financial position.

2.5 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents are considered to be cash on hand and at bank and in operating accounts at bank with an original maturity of three months or less.

2.6 Taxes

Artpolis is established as a nongovernmental organization, therefore has responsibility and operates as an NGO under applicable Kosovo Laws.

2.7 Revenue recognition

Revenues from grants are recognized as income on the period when received. At the end of the year the excess amount of revenues over expenses is treated as balance carried forward to the next period.

ARTPOLIS

Notes to the Financial Statements

For the year ended December 31, 2022

2.8 Financial costs

Financial costs include bank charges, charged for banking transactions and the cost charged for the guarantee received as well as interest expense on borrowings.

2.9 Employee benefits

The Organization, in the normal course of business, makes payments to the State budget of on behalf of its employees. The majority of the Organization's employees are members of the State pension plan. All such contributions to the mandatory government pension schemes are expensed when incurred. The Organization does not operate any other pension scheme or postretirement benefit plan and, consequently, has no obligation in respect of pensions.

In addition, the Organization has no material obligations to provide further benefits to current and former employees.

ARTPOLIS

Notes to the Financial Statements

For the year ended December 31, 2022

3. PROPERTY, PLANT AND EQUIPMENT

	Vehicle	Computers and Equipment	Total
Cost			
At 1 January 2021	15,500	4,633	20,133
Additions		2,781	2,781
At 31 December 2021	15,500	7,414	22,914
At 1 January 2022	15,500	7,414	22,914
Additions	-		
Disposals	-	-	-
At 31 December 2022	15,500	7,414	22,914
Accumulated depreciation			
At 1 January 2021	3,099	2,504	5,602
Depreciation charge for the year	3,100	1,483	4,583
	-	-	-
At 31 December 2021	6,199	3,986	10,185
At 1 January 2021	6,199	3,986	10,185
Depreciation charge for the year	3,100	1,761	4,861
At 31 December 2022	9,299	5,747	15,046
At 31 December 2022	6,201	1,666	7,868
At 31 December 2021	9,301	3,427	12,728

4. ACCOUNTS RECEIVABLE

	December 31, 2022 (in EUR)	December 31, 2021 (in EUR)
CFD	5,000	5,000
GIZ	-	-
EU HLC	15,380	-
UNFPA	913	536
Total Accounts Receivable	21,293	5,536

ARTPOLIS**Notes to the Financial Statements****For the year ended December 31, 2022**

5. CASH AND CASH EQUIVALENTS

	December 31, 2022 (in EUR)	December 31, 2021 (in EUR)
Cash on Hand	2,935	508
Cash on Bank	84,248	95,007
Total Cash and Cash Equivalents	87,184	95,516

6. ACCOUNTS PAYABLE

	December 31, 2022 (in EUR)	December 31, 2021 (in EUR)
Taxes and pensions payable	8,533	3,122
Total Accounts Payable	8,533	3,122

7. DEFERRED REVENUE

	December 31, 2022 (in EUR)	December 31, 2021 (in EUR)
Deferred income	107,812	110,658
Total Deferred Revenue	107,812	110,658

ARTPOLIS**Notes to the Financial Statements****For the year ended December 31, 2022**

8. GRANT INCOME

	December 31, 2022 (in EUR)	December 31, 2021 (in EUR)
KTK	41,744	49,839
FEMART	5,567	-
UNFPA	22,887	22,101
UNFPA 2	13,560	-
CDF	55,667	44,600
CFD	68,491	64,800
KMOP	-	-
KCSF	38,749	38,300
GIZ	-	35,490
Ministria e Kultures	117,000	26,000
Komuna	10,000	7,000
Urgent Action Fund For Women's	32,530	-
AGC	-	4,213
SDC	25,309	21,000
US Embassy	-	-
EU HLC	38,189	43,037
ABGJ	-	10,000
Austrian Embassy	-	4,000
Presidencia	-	5,000
Ministria e Diaspores	5,000	-
Embassy of Luxembourg	10,000	-
Sigma	2,000	-
Bucaj	25,521	-
Global Albanians Foundation	42,513	-
Membership Income	230	-
YIHR	-	8,093
KIPRED	-	-
Other	2,706	8,233
Income from previous year	110,658	55,841
Deferred revenue	(107,812)	(110,658)
Total grant income	560,510	336,889

ARTPOLIS**Notes to the Financial Statements****For the year ended December 31, 2022**

9. PAYROLL EXPENSES

	December 31, 2022 (in EUR)	December 31, 2021 (in EUR)
Salaries and remuneration	253,733	195,697
Per diem	6,455	6,087
Pension contribution	13,675	9,514
Total payroll expenses	273,863	211,298

10. OPERATIONS EXPENSES

	December 31, 2022 (in EUR)	December 31, 2021 (in EUR)
Rent expenses	24,668	17,355
Program expenses	115,520	52,924
Refreshments	49,245	21,663
Other operations expenses	20,316	9,823
Maintenance expenses	18,433	4,146
Travel expenses	50,767	13,188
Communication expenses	2,838	1,911
Total operations expenses	281,787	121,009

ARTPOLIS

Notes to the Financial Statements For the year ended December 31, 2022

11. PROFIT AND LOSS STATEMENT BY DONORS

	Notes	CFD (in EUR)	EU HLC (in EUR)	KCSF - EJA (in EUR)	MKRS (in EUR)	KTK (in EUR)	CDF (in EUR)	Other projects (in EUR)	Total (in EUR)
Income									
Incomes									
Deferred Incomes from Previous Year	9	68,050	26,827	38,300	100,000	39,239	101,753	183,495	557,664
Deferred Incomes	8	441	14,672	5,704	17,000	-	9,143	63,699	110,658
	8	(1,000)	-	(5,594)	-	(803)	(55,228)	(45,187)	(107,812)
Total income		67,491	41,498	38,410	117,000	38,435	55,667	202,007	560,510
Expenditure									
Payroll Expense	10	39,886	13,570	12,900	46,550	17,915	23,651	119,391	273,863
Operation Expense	11	27,605	27,928	25,510	70,450	20,521	32,016	77,756	281,787
Depreciation Expense	4	-	-	-	-	-	-	4,860	4,860
Total expenditure		67,491	41,498	38,410	117,000	38,435	55,667	202,007	560,510
Net (Deficit)/surplus for the year		-	-	-	-	-	-	-	-

ARTPOLIS

Notes to the Financial Statements

For the year ended December 31, 2022

12. RELATED PARTY DISCLOSURE

For the purposes of these financial statements, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions as defined by IAS 24 "Related Party Disclosures". In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

13. RISK MANAGEMENT

13.1 Credit risk

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist primarily of trade receivables and holdings of cash at bank. The Organization's credit risk is managed by placing its cash and cash equivalents with high quality financial institutions. The receivables credit risk is controlled through revised credit terms (maximum 15 days as credit limit), credit approvals, credit limits and monitoring procedures.

13.2 Interest rate risk

The organization is not exposed to interest rate risk as they do not have any borrowings or placements.

13.3 Foreign exchange risk

The organization pays liabilities in foreign currency within a short period of time thus reducing the risk that changes in foreign currency would result in significant losses.

13.4 Liquidity risk

Liquidity risk arises in the general funding of the Organization's activities and in the management of positions. It includes both the risk of being unable to fund assets at appropriate maturity and rates and the risk of being unable to liquidate an asset at a reasonable price and in an appropriate time frame to meet the liability obligations.

The organization monitors its liquidity on a periodic basis in order to manage its obligations as and when they fall due. As at December 31, 2018, the Organization's financial assets and liabilities have maturity less than 12 months.

14. SUBSEQUENT EVENTS

There are no subsequent events that would require either adjustments or additional disclosures in the financial statements.